




U.S. Department of the Treasury



Community Development
Financial Institutions
Program

2004 Information Session
March 17, 2004

CDFI
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Agenda

- CDFI Fund Overview
- 2004 Financial Assistance component :
 - Overview of programmatic Changes
 - Review criteria
 - Application
 - Monitoring and Reporting Mapping System Demo
 - Electronic Application Demo
- 2004 Technical Assistance Component
- Native American Initiatives

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CDFI Fund Vision and Mission

- Vision: **An America in which all people have access to credit, capital and affordable financial services.**
- Mission: **Expand the capacity of financial institutions to provide credit, capital, and financial services to underserved populations and communities in the U.S.A.**

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CDFI Fund Programs and Activities

- Community Development Financial Institutions Program
 - Financial Assistance
 - Technical Assistance
- Bank Enterprise Awards Program
- New Markets Tax Credit Program
- Native American Initiatives
- Training
- Research and Data Collection



CDFI Program

- Promote economic revitalization and community development through investment in and assistance to CDFIs
- Help build the capacity of CDFIs to provide financial products and services to underserved target markets.
- Leverage scarce Fund resources through providing a range of investment types.



CDFI Certification

- Determination by the CDFI Fund that an organization meets all of the following criteria:
 - A legally existing entity
 - Primary Mission of Community Development
 - Predominantly a financing entity
 - Provides Development Services in conjunction with Financing
 - Principally Serves a Target Market
 - Accountable to the Target Market
 - Non-governmental entity

Benefits of CDFI Certification

- Provides access to the CDFI Program
- Provides access to the BEA Program
- Provides access to CDE Certification and New Markets Tax Credits



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Changes Affecting Certification

- Investment Areas
 - Proposed re-introduction of rural population loss and rural out-migration as IA criteria
- Financing Entity
 - Proposed treatment of state-insured credit unions are treated like all other credit unions
- New Application
 - More user-friendly
- New Mapping System



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2004 Financial Assistance Component (FA) -- CDFI Program

Purpose

Provide financial and technical assistance to CDFIs that have comprehensive business plans for financing activities that positively impact their communities.

Provides matching capital to CDFIs that show that they have the financial and managerial capacity to serve target markets, be viable financial institutions, and effectively use and leverage CDFI Fund dollars.

Funding availability for FY 2004:
\$45 million



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Key Program Changes

- Hot Zone activities are still high priority, but CDFIs serving other markets are expected to be funded.
- Small and Emerging CDFI Assistance (SECA) sub-component is included
- Capital Need is required, but can be demonstrated in more ways
- Matching funds standards have changed



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Programmatic Priorities

Priority 1

- Affordable Housing in Housing Hot Zones and/or for Other Targeted Populations. Includes financing and development services for:
 - Pre-development, construction, bridge and permanent financing; and
 - First and subordinated mortgages for homeownership and rehabilitation.
- Economic Development (other than Community Development Support) in Economic Development Hot Zones and/or for Other Targeted Populations. Includes financing and development services for:
 - Business development, including loans and equity investments, including for microenterprises and commercial real estate.
- Community Development Financial Services in Economic Development Hot Zones and/or Housing Hot Zones
 - Includes consumer loans and retail financial and deposit services.



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Programmatic Priorities

Priority 2

- Affordable Housing in Economic Development Hot Zones and/or other Investment Areas, and/or for Low-Income Targeted Populations
- Economic Development (other than Community Development Support) in other Investment Areas and/or for Low-Income Targeted Populations
- Community Development Financial Services for Low-Income Targeted Populations and/or Other Targeted Populations



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Programmatic Priorities

Priority 3

- Community Development Financial Services in Investment Areas (other than Hot Zones)
- Community Organization Support
 - Financing and Development Services to non-profits for their operations and for community facilities.

Priority 4

Other activities as requested by the applicant and deemed appropriate by the Fund



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What is a Hot Zone – Economic Development

- Subset of CDFI Program eligible Investment Areas that have higher levels of distress:
 - unemployment rate $\geq 1.5 \times$ national average
- Metropolitan areas (census tract):
 - poverty rate $\geq 20\%$, median family income \leq below 80 % of the area median income AND
 - population $\geq 1,500$
- Non-metropolitan areas (census tract or county):
 - poverty rate $\geq 20\%$, or median family income $\leq 80\%$ of the statewide or national non-metro MFI, AND
 - population ≥ 500 .



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What is a Hot Zone – Affordable Housing

Subset of CDFI Program eligible Investment Areas that have higher levels of distress:

- Metropolitan census tracts
 - population $\geq 1,500$ AND
 - median family income $\leq 80\%$ of the metro area median income
- Non-metro tracts or counties with population
 - population ≥ 500 AND
 - median family income $\leq 80\%$ of the statewide non-metro median family income or the national non-metropolitan median family income
- Both Metro and Non-Metro:
 - Median monthly rental housing cost $> 30\%$ of gross monthly income of a low-income household, and poverty rate $\geq 20\%$, OR
 - Median monthly homeowner cost $> 30\%$ of the gross monthly income of a low-income household



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Other Hot Zone facts

- All Native American Areas that are Investment Areas qualify as both Economic Development and Housing Hot Zones
- All Hot Zones may be found on the upgraded, user-friendly mapping feature on the Fund's website – Community Information Mapping System (CIMS)



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In case you missed 2003...

- Electronic application
- Application questions tailored to particular products
- Use of 2000 Census data to define markets
- Need to demonstrate capital need
- Demonstrate high level of match in-hand or committed
- Scoring penalties for non-compliance with prior awards
- Financial and portfolio quality benchmarks



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Key elements in 2004 - Eligibility

- Must be a certified CDFI (expiration on or after 12/31/04) OR
- submit application for CDFI certification by 3/31/04
 - must be certifiable at time of application
- Prior awardees and Affiliates (under any Fund program)
 - all reports current as of the application deadline
 - not barred from applying
 - not terminated in default in FY 2003 (10/1/02-9/30/03)
 - no undisbursed balances > 5% of outstanding awards



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Undisbursed Funds

Prior CDFI or Native American Program Awardees:

- award dollars that are undisbursed to the Awardee more than 2 years from the date of an assistance agreement

Prior BEA Awardees:

- award dollars that are undisbursed to the Awardee more than 3 years from the date of an award agreement

All Awardees:

- The Fund will consider undisbursed award amounts to an applicant's Affiliates.
- Requests for disbursements should go to Grants Management & Compliance Manager



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Applicant Categories

Category I: Small and Emerging CDFIs Assistance (SECA)

1. Total assets as of 12/31/03 :

- Insured Depository Institutions & Depository Institution Holding Companies < \$100 million
- Insured Credit Unions & Venture Capital Funds < \$10 million
- Other CDFIs < \$5 million

OR

2. Did not begin operations prior to April 15, 2001

AND

- Prior CDFI Program funding \leq \$300,000 total
Can request \leq \$300,000 total



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Applicant Categories

Category II: Core & Sustainable CDFIs Assistance (Core)

■ total assets as of December 31, 2003 of:

- Insured Depository Institutions & Depository Institution Holding Companies < \$500 million
- Insured Credit Unions and other CDFIs < \$25 million

May request up to \$1 million total



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Applicant Categories

Category III: Financial Leverage and Market Expansion Assistance

Total assets as of December 31, 2003:

- Insured Depository Institutions and Depository Institution Holding Companies \geq \$500 million
- Insured Credit Unions and other CDFIs \geq \$25 million

May request up to \$2 million total



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About the Categories

- An applicant requesting an amount higher than the limit for the category will be considered under the higher category.
- Category I applicants will be scored under distinct evaluation criteria.
- Category III applicants will be evaluated on their plans to leverage greater private sector resources in support of their lending and investing activities (such as through funding a loan loss reserve or credit enhancement), or develop and effectively provide innovative financial products and services that address the capital needs of markets that are particularly underserved by traditional financial service institutions.



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Key 2003 Concerns and 2004 Responses

- Not enough time to complete application/ application not user-friendly
 - Changes to enhance ease of use/provide clearer guidance
 - More flexible questions to allow range of answers
 - Due 2 months from the release of application
- Hot Zones under-represented rural areas
 - Hot Zones will be designated at either the tract or county level for rural areas
- Elimination of out-migration and population loss eligibility criteria impacts rural areas
 - Reintroduce out-migration and population loss as eligible indicators of distress (through proposed rule revision)



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Treatment of Programmatic Priorities

- Highest overall score and funding priority given to Priority 1 activities.
- Applicants with lower priority activities will be considered for an award, assuming funding availability.
- The Fund expects awards to be made to well managed and financially sound CDFIs engaging in activities outside of Priority 1.
- An applicant may be considered under multiple categories for different activities and markets served.



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Treatment of Non-compliance

- Only last 2 years (2002-2003) of active or recently terminated awards will be evaluated.
- Applicants will lose points for
 - late reporting
 - non-compliance with performance goals and financial soundness covenants
 - late payments on loans from the Fund
- Points will be deducted from overall score, not from a specific section



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What is Non-Compliance?

- Non-Compliance is failure to meet any of the required terms of an Assistance Agreement. Common instances of non-compliance are:
 - Reports submitted late or incomplete.
 - Performance Goals and Measures are "Below Expectations" or "Unacceptable."
 - Financial Soundness Covenants are not met.
 - Certification application not submitted if required, denied certification, or certification expired.



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Matching Funds Requirements

Category I applicants:

- 30% of requested matching funds in hand or firmly committed at the time of application (April 28, 2004).

Categories II and III applicants:

- 100% of matching funds in hand or firmly committed at the time of application (April 28, 2004).

All applicants:

- No distinction made between in-hand and committed for determining the percentage.
- Commitments may be contingent upon receipt of funding from the CDFI Fund (and other contingencies deemed reasonable by the Fund).



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Matching Funds

- Eligible Matching Funds window begins January 1, 2002.
- All Matching Funds must be in-hand by April 30, 2005.
- Applicants that have less than the required level of match will only be considered for the amount of funding that corresponds to the matching funds evidenced.
- Applicants demonstrating no match in hand or committed at the time of application will be rejected as ineligible.
- **Matching Funds are not scored, but do relate to the amount of funding that you can receive.**



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Matching Funds

- Must be comparable in form: grant with grant, loan with loan
 - Fund cannot match in-kind contributions
 - Can match grant or equity with retained earnings
- Must be comparable in value: \$1 to \$1
- Must be from non-Federal sources
 - Even if passed-through a state or local government (such as CDBG)
- Cannot have been used to match another Federal program
- Must be to the Applicant



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Capital Need

- Capital Need will be determined based on institution type, product and use of funding requested:
 - Loan/investment capital or loss reserves
 - Development Services
 - Capital reserves (for depository institutions)
 - Financial Services (for depository institutions)
- If the worksheet does not show Capital Need, you may provide an explanation of why you have Capital Need despite the worksheet finding.



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Capital Need

- If you cannot demonstrate capital need for at least one product, you will not be considered for funding.
- If you apply for more than one product, but only show capital need for one, will only be considered for that product.



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Evaluation Criteria – Market Need & Community Development Performance

- 50% of Score
- Market need: understanding of the market context and customers, extent of economic distress, need and demand for financial products and services.
- Sample questions:
 - Discuss the extent of demand for your proposed product in the market.
 - If you are planning on serving a new market, how does your track record apply to the new market?



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Market Need & CD Performance

- Product design and strategy: flexibility and appropriateness of the products to the market served, assessment of the delivery strategy (including coordination with other resources), and likely effectiveness of the proposed use of Fund dollars.
- Sample questions:
 - Provide summary information on product traits: amount, terms, rates, percentage of portfolio.
 - How does the product use flexible underwriting, provide flexible terms, use non-traditional collateral?



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Market Need & CD Performance

Community Development Performance & Programmatic Priorities: historic and projected targeting of activities to Programmatic Priorities (amount and number of transactions and projected impacts).

- Complete Activity Level Chart showing:
 - Historic number and \$ volume by product
 - Projected number and \$ volume by product
 - Target Market served by product
- Complete Impact Chart showing:
 - Historic impacts in Target Markets
 - Projected impacts in Target Markets
 - Allows designation of "other impacts"



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Market Need & CD Performance

- Category III applicants evaluated on leveraging in this section.
- For prior awardees under the BEA, CDFI &/or Native American Programs, the NACD Program or the NACTA Program, the Fund will consider:
 - the extent and effectiveness to which the applicant has used previous assistance from the Fund; and
 - the community development impact that will be created with new Fund assistance over and above benefits created by previous Fund assistance.



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Evaluation Criteria – Financial Health & Viability

- 25% of score
- Uses Minimum Prudent Standards to determine the applicant's financial health (last 3 years) and projected financial position (2004-2007) for the following:
 - Capital -Earnings -Self-Sufficiency
 - Deployment -Liquidity
- Applicants that do not meet any standard may explain why they still believe they are financially sound.
- Do not need to pass all MPS to receive a passing score in this section.



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Evaluation Criteria – Management & Underwriting

- 25% of score
- Portfolio quality: Based on MPS for
 - lenders: portfolio at risk, losses, and loan loss reserves
 - equity investors: rate of return vs. projections, losses vs. increase in portfolio valuation
- Applicants that do not meet any standard may explain why they still believe they are financially sound.
- Do not need to pass all MPS to receive a passing score in this section.



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Management & Underwriting

- Management controls: underwriting, portfolio management, and financial management policies.
- Sample questions:
 - How often is the portfolio reviewed?
How are loan loss reserves determined?
 - How does the applicant work with borrowers with no or blemished credit history?
 - Provide information on MIS in use.



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Management & Underwriting

- **Management team:** capacity, skills and experience of the applicant's senior management, staff and governing board as appropriate to deliver the proposed products and services and manage compliance with the Fund's reporting requirements.
 - Provide summary information on the tenure, skills, and roles of staff, management team and board members.
 - If relevant experience is not clearly evident, explain.



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Program Interactions

Applicants (or Affiliates) may apply for and receive funding under the following programs, as long as the funding is for different activities (as determined by the Fund)

- New Markets Tax Credit Allocation
- Bank Enterprise Award (subject to limitations described in the BEA Program regulations)
- Technical Assistance Award under the TA, Native American TA or Native American CDFI Development programs
 - Note: A CDFI requesting TA to upgrade computer hardware, software, and internet connectivity is encouraged to do so as part of its FA application
- An applicant cannot receive Financial Assistance funding under both the FA Component and the Native American CDFI Assistance Program
- Activities will be reviewed on the basis of the specific facts.



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Review Process

- Staff review for eligibility, matching funds and capital need.
- Staff and outside reviewers score based on evaluation criteria.
- Staff follow up on issues, may contact for more information.
- Staff recommendation to selecting official.
- Award notifications (notice of award) expected by September 30.
- SECA applicants may be considered for TA, if declined under FA Component.
- Performance goals and other requirements negotiated and funds disbursed by early 2005.



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What Is Required of Awardees?

Key Reporting Requirements:

- Annual Financial Report:
 - Audited Financial Statements for for-profits or
 - Reviewed or Audited Financial Statements for non-profits (may be subject to A-133 Audit)
 - Regulated Financial Institutions evaluated based on publicly available financial reports
- Annual Survey through CIIS
 - Transaction Level
 - Institution Level
- Use of FA and Matching Funds
- Use of TA (if applicable)
- Other requirements as applicable



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What Performance is Required of Awardees?

Expected Performance Goals (based on 2003 Assistance Agreement template)

- Operating Liquidity Ratio of 1:1
- Maximum Portfolio at Risk (based on portfolio type) or Portfolio Valuation
- Maintain CAMEL rating of 3 or better (regulated CDFIs)
- Use 85% of dollars funded for activities in Hot Zone(s) or Target Market over 3 years.



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Deadlines: FA Component

- Application for Certification if not currently certified: March 31, 2004
- Request paper application: March 31, 2004
- FA application: **April 28, 2004**
- Paper attachments to electronic application: **May 5, 2004**



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Don't forget!

- To be accepted and reviewed, the application must have:
 - EIN and confirming evidence from IRS
 - DUNS number
 - original signature of the Authorized Representative (by May 5).
- **The due date is date received, not the date postmarked. The Fund strongly encourages applicants to send applications at least 3 business days prior to the deadline.**



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Summary

- 2004 FA Component is due April 28
- \$45 million available
- Encourage electronic application
- Encourage activity in Hot Zones and other Programmatic Priorities
- Significant changes from 2003 to make the process more flexible and the application more user-friendly
- Check the website for more details:
www.cdfifund.gov



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Contacting the Fund

- All program information is posted to:
www.cdfifund.gov
- Program/Policy Questions
 - Cdfihelp@cdfi.treas.gov
 - Phone: (202) 622-6355
- Compliance/Prior Award Questions
 - gmc@cdfi.treas.gov
 - Phone: (202) 622-8226
- Technology Questions
 - ithelpdesk@cdfi.treas.gov
 - Phone: (202) 622-2455

***IT and Programmatic questions will be accepted only until 5 pm Eastern Time on April 26.**



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CDFI Program - Technical Assistance Component

Purpose

Provide grants to CDFIs and CDFIs in formation to acquire technology, training and outside expertise to help them better serve their target markets.

Key facts

- Current deadline is May 31, 2004
- Over \$9 million still available
- Simplified application
- Paper application (fillable PDF is available)
- No matching funds required
- The Fund expects to have sufficient resources to make awards to organizations that have received prior awards >\$250,000
- The Fund may make awards over \$50,000.



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Uses of TA and Examples

Consulting Services

- website design
- product research

Staff Salary- one time uses

- develop marketing materials
- update policies and procedures
- some other uses for start-ups

Technology

- computer hardware
- upgrade phone system

Training

- new staff training on products
- board training on CDFI operations

Other




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Ineligible Uses - Examples

- Recurring or Operating Expenses
 - rent, salaries, printing
- Annual financial audit expense (except first one)
- Preparing funding proposals or other fundraising activities
- Overseeing consultants' activities
- Services provided directly to the CDFI's customers
- Costs incurred prior to receipt of a Notice of Award are not eligible.




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Eligibility

- Certified and soon to be certified CDFIs
 - May submit certification application along with TA application
 - May use certification section of the TA application or stand-alone certification application
 - Must show that it can be certified 1/31/06
- Previous awardees must have
 - fulfilled all reporting requirements
 - disbursed on previous awards

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TA Application

Technical Assistance Request

- Provide as much detail as possible
 - Providers, dates if you have them
 - Scope of work, parameters if you do not
- Provides staff salary calculation worksheet

Market Need and CDFI Strategy

(20 pts. - 10 pts. needed for funding)

- Last 3 years of activity in Target Markets
- Describe economic distress and need in market served
- Product description summary
- Delivery strategy

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TA Application

Management

(20 pts. - 10 points needed for funding)

- Information on Management Controls and MIS in place
- Portfolio Quality Chart
- Organizational chart, board member list, key staff resumes
- Optional narrative on management experience

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TA Application

Financial Health & Resources

(20 pts. - 10 pts. needed for funded)

- Provide financial statements/financial reports for three years (if available)
- Projected resources available to support applicant's activities
- Optional narrative explaining financial problems



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TA Application

Community Development Performance & Effective Use of Technical Assistance

(40 pts. - 20 pts. needed for funding)

- Projected Activity Chart
 - 3 years of activity projected to Target Markets
- If a prior awardee, extent to which the applicant is compliant with prior awards.



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Applying for TA and FA

- An applicant may apply for TA and FA separately or you may request TA in an FA application.
- No organization will be funded twice for the same activities.
- Applying for TA separately neither helps nor hurts your FA application. However, the Fund recommends you discuss the other application in each application, to demonstrate that you understand your organization's strengths and shortcomings.



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Frequently Asked Questions

- **Is an organization eligible if it has already received awards over \$250,000 under the CDFI Program?**
- Yes, if they will use the TA to help them serve a new market or provide new products or services, or otherwise demonstrate that the requested TA will have a significant new impact in the target market.
- For example, an applicant previously received \$500,000 in financial assistance to fund a single-family mortgage product in its Investment Area. The CDFI now believes there is a need to provide rehab loans for small multi-family buildings, but wants to do additional research in the area and ensure that its staff is trained to provide the new product. The CDFI can request TA to support those activities.



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Frequently Asked Questions

How much time should the application take to complete?

The TA application has limited narrative and a few key charts. We estimate it will take 40-55 hours to complete the application.

How long does it take the Fund to make a funding decision?

The Fund expects that applications received in May will be reviewed and awards announced by fall, 2004.

If we are selected for funding, when can we expect to receive our disbursement?

The Fund has a new standard Assistance agreement in place, and expects to execute agreements and disburse on awards generally within 60 days of making funding announcements.



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Technical Assistance - Changes Ahead

- 2004-2005 TA focused on technology upgrades
- Evaluation of TA Program planned FY 2004
- New Training Contracts planned FY 2004-2005
- Restructured and revised program planned for FY 2005-2006



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TA Component Summary

- \$9 million still available
- Applications due May 31, 2004
- Paper application
- Requests for technology, consulting, training, and some staff salary expenses are eligible.
- No matching funds required.
- CDFIs and CDFIs in formation are eligible.



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Contacting the Fund

- All program information is posted to:
www.cdfifund.gov
- Program/Policy Questions
 - cdfihelp@cdfi.treas.gov
 - Phone: (202) 622-6355
- Compliance/Prior Award Questions
 - gmc@cdfi.treas.gov
 - Phone: (202) 622-8226
- Technology Questions
 - ithelpdesk@cdfi.treas.gov
 - Phone: (202) 622-2455



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Native American Initiatives

As a result of the Native American Lending Study, the Fund is undertaking initiatives to:

- Increase the coverage of Native American CDFIs (i.e., number and communities served);
- Increase the capacity of Native American CDFIs (i.e., financial strength and sustainability);
- Attract traditional, non-Native, financial resources to Native American communities.



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Definitions

“Native American” or “Native American Communities” refers to any Native American, Alaska Native, or Native Hawaiian populations, lands or Census-equivalent entities (with the exception of State or Tribal Designated Statistical Areas).

A **Native American CDFI** is defined as a CDFI with greater than 50 percent of its activities directed to Native American Communities.



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Initiatives Underway

- Native American CDFI Assistance (NACA) Program
- Native American Technical Assistance (NATA) Component
- Native American Community Development (NACD) Program
- Native Communities Financing Initiative
- Priority in the BEA Program
- Training and other Contracts



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Native Communities Financing Initiative

- A new two step program for the development of Native CDFIs presented by First Nations Oweesta Corp. and NCCA on behalf of the CDFI Fund.
- Participants are eligible to receive intensive training for the successful creation of a Native CDFI, as well as free on-site technical assistance through the program.
- For program details and training schedules contact:

Stewart SarkozyBanoczy
First Nations Oweesta Corp.
(605) 455-1700
ssarkozy@oweesta.org

Eric Dahlberg
NCCA
215 320-4341
ericd@communitycapital.org



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Financial Assistance and TA (including Operating Grants): NACA



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FA and TA (Operating Grants): NACA

- FA awards (grants, loans, equity investments, secondary capital accounts, deposits, credit union shares) to support financing needs
 - \$1:\$1 match requirement
- TA awards for technology acquisition, training, consulting services, staff salary for certain purposes, and operation expenses



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NACA Eligibility

Type 1: Certified or Certifiable Native American CDFIs

- Certified Native American CDFIs with expiry dates after July 31, 2004 (Round One) or July 31, 2005 (Round Two)
- Certifiable Native American CDFIs must submit certification applications prior to or simultaneous with NACA application and be certified by the date of award

Type 2: Emerging Native American CDFIs

- Emerging Native American CDFIs must become certified December 31, 2006 (Round One) and December 31, 2007 (Round Two)

Type 3: Sponsoring Entities

- Sponsoring Entities must create a separate legal entity that will become a certified Native American CDFI by December 31, 2007 (Round One) and December 31, 2008 (Round Two).
 - TA and Other Suitable Providers (NACD Category 2) are not eligible.




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NACA Eligibility	
Type of Applicant	Eligible Awards
Type 1 Applicant	FA and TA
Type 2 Applicant	TA
Type 3 Applicant	TA

- Eligibility: Operating Grants
- Type 1 and Type 2 applicants are eligible for grants to cover operating expenses only if they began incurring operating expenses less than 5 years prior to the date of application.
 - All Type 3 applicants (Sponsoring Entities) are eligible.
 - The Fund will consider generally consider operating expenses allowed by OMB Circular A-87.


- Operating Grants
- Recurring expenses associated with operating the CDFI or directly associated with creating the CDFI such as:
 - Accounting, Audit services, Budgeting
 - Advertising, Publication and printing costs
 - Compensation for personnel services
 - Equipment and other capital expenditures, Materials and supplies
 - Maintenance, operations, and repairs



NACA Application

- Executive Summary
- Market Analysis/Program Design and Implementation
- Management
- Financial Health & Resources
- Community Development Performance & Effective Use of Technical Assistance

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NACA: Due Dates and Funding Available

Round One: **5:00 pm ET March 31, 2004**
 Round Two: 5:00 pm ET February 1, 2005
 Up to \$500,000 per award (soft cap)
 TA Cap: \$150,000 (soft cap)
 About \$5 million available for each round (subject to appropriation)

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Technical Assistance Grants: NATA and NACD

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Technical Assistance Grants: NATA and NACD

NATA: TA grants to Native American CDFIs, entities that themselves can be certified as Native American CDFIs at time of award, and entities that themselves propose to become Native American CDFIs within two years.

NACD: TA grants to certain "Sponsoring Entities" (such as tribes or tribal organizations) to assist in creating separate legal entities that will ultimately become certified Native American CDFIs.



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NATA & NACD: Deadlines and Funding Availability

- Rolling application and review process through May 31, 2004
- Up to \$100,000 per award
- About \$3 million available for each program



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Difference Between NATA and NACD: The Applicant

- If the organization **itself** can meet the CDFI certification criteria (either now or later) and thus is going to be the CDFI – it should apply under **NATA**.
- If the organization will never meet the CDFI certification criteria and must create a **new legal entity** that will be the CDFI – it should apply under **NACD**.



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NATA Eligibility

Certified, Certifiable, and Emerging Native American CDFIs

- Applicant itself will become the certified CDFI
- "Emerging" Native American CDFIs must become certified within 2 years



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NACD Eligibility

- Applicant is a [Sponsoring Entity](#) that will use the TA grant to help create a separate legal entity that will become a CDFI
- Up to 3 years for proposed CDFI to be certified



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NACD Eligibility

Sponsoring Entities Include:

- [Category 1](#): Tribes, Tribal entities, or other organizations that primarily serve Native American Communities.
- [Category 2](#): TA or other providers with specialty in Native-focused economic development. If provider doesn't primarily serve Native American Community, it must have a Native American Partner.



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NATA & NACD: Eligible Uses of TA

- Consulting Services
- Technology
- Training
- Staff Salary
 - Non-recurring staff salary will be considered for applicants in operation <24 months as of the date of application.
- Other



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NATA & NACD: Application

- Executive Summary
- Market Need and CDFI Strategy
- Management
- Financial Health & Resources
- Community Development Performance & Effective Use of Technical Assistance



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Contacting the Fund

- All program information is posted to:
www.cdfifund.gov
 - Native American Initiatives Homepage:
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